

# **GREATER TUBATSE LOCAL MUNICIPALITY**



*South Africa's first democratic platinum city*

## **ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2009**

# GREATER TUBATSE MUNICIPALITY

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# GREATER TUBATSE MUNICIPALITY

## GENERAL INFORMATION

### **MEMBERS OF THE EXECUTIVE COMMITTEE**

MAMEKOA R.S	MOTENE P.P
MANAMELA M.M	NGWANE A
MOLAPO C.E	PHOLANE MB
MOHLALA A	PHALA H.L
MOSHWANA C	SEKGOBELA S.R.

### **GRADING OF LOCAL AUTHORITY**

GRADE 3

### **AUDITORS**

THE OFFICE OF THE AUDITOR GENERAL  
PRIVATE BAG X 9339  
POLOKWANE  
0700

### **BANKERS**

FIRST NATIONAL BANK  
P O BOX 401  
BURGERSFORT  
1150

### **INSURANCE BROKERS**

ALEXANDER FORBES MPUMALANGA  
(OFFICE ADMINISTRATOR MR F SCHOLTZ)  
P O BOX 2387  
NELSPRUIT 1200

### **REGISTERED OFFICE**

CIVIC CENTRE  
cnr EDDIE SEDIBE & KORT STR  
BURGERSFORT  
1150

P O BOX 206  
BURGERSFORT  
1150

TELEPHONE NUMBER  
013 231 7815  
FAX NUMBER  
013 231 7467

### **MUNICIPAL MANAGER**

MR S P S MALEPENG  
E-mail address [spmalepeng@tubatse.gov.za](mailto:spmalepeng@tubatse.gov.za)  
Cell number 082 921 9982

### **CHIEF FINANCE OFFICER**

MR L M MOKWENA  
E-mail address [lmokwena@tubatse.gov.za](mailto:lmokwena@tubatse.gov.za)  
Cell number 083 418 0247

# GREATER TUBATSE MUNICIPALITY

## GENERAL INFORMATION (continued)

### MEMBERS OF THE 2006 - 2007 COUNCIL

**MAYOR:** MAMEKOA R S

**SPEAKER:** MOTUBATSE M E

### COUNCILLORS:

NAME	WARD	PARTY
BOSHEGO D	PR	ANC
KGWEDI SN	PR	ANC
KHOZA MR	PR	ANC
MAHLO SA	PR	ANC
MAHOLE PA	PR	ANC
MAHUBEDU MR	PR	ANC
MAKHUBEDU NR	PR	DA
MALATJIE SM	PR	UIF
MANAMELA MM	PR	ANC
MANOTWANE RR	PR	ANC
MAROGA TA	PR	ANC
MOHLALA PA	PR	ANC
MOKOENA SP	PR	ANC
MOLAPO CE	PR	PAC
MORABA KJ	PR	PAC
MOSOMA PP	PR	ANC
MOTENE PP	PR	ANC
NAPO DJ	PR	ANC
NGWANE SA	PR	ANC

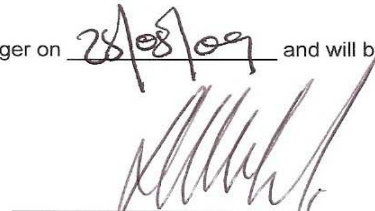
NAME	WARD	PARTY
PHALA HL	PR	ANC
RAPHELA SF	PR	ANC
RIBA MJ	PR	ANC
SEKHUKHUNE MS	PR	ANC
SELALA SI	PR	ANC
SHAI AM JP	PR	ANC
THOBAKGALE TC	PR	UIF
MAHLAKE NJ	1	ANC
MALOMA MM	2	ANC
NKOSI SM	3	ANC
MOROPANE M	4	ANC
MAGABANE F	5	ANC
MASHEGOANE J	6	ANC
MOSHWANA C	7	ANC
PHOLOANE MR	8	ANC
MOLOTO E	9	ANC
MANYAKA MW	10	ANC
MALOMANE HK	11	ANC
MOIME J	12	ANC

NAME	WARD	PARTY
MATHEBOLA MAW	13	ANC
THOBEJANE MD	14	ANC
LEKUBU SS	15	ANC
SEERANE M	16	ANC
MAMETJA ML	17	ANC
TJATJI JP	18	ANC
LESHABA MB	19	ANC
RIBA MA	20	ANC
MAKOFANE AS	21	ANC
MOGOFE E	22	ANC
CHILOANE LN	23	ANC
CHILWANE MJ	24	ANC
MAMETJA M	25	ANC
SEKGOBELA SR	26	ANC
MAGAPA KM	27	ANC
MASHILO LB	28	ANC
LESHABA AN	29	ANC

### APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements were accepted by the Municipal Manager on 28/08/09 and will be tabled at the next General Council meeting.

  
 S P S Malapeng  
 Municipal Manager  
 (Accounting Officer)

  
 L M Mokoena  
 Chief Financial Officer

# **GREATER TUBATSE MUNICIPALITY**

## **REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL OF GREATER TUBATSE MUNICIPALITY FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2009**

This set of Financial Statements have not yet been audited.

# GREATER TUBATSE MUNICIPALITY

## APPROVAL AND CERTIFICATION

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 34, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 20 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



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**S P S MALEPENG**  
**MUNICIPAL MANAGER**

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**DATE**

# GREATER TUBATSE MUNICIPALITY

## STATEMENT OF FINACIAL POSITION

### AS AT 30 JUNE 2009

		2009	2008
	Notes	R	R
<b>NET ASSETS &amp; LIABILITIES</b>			
<b>NET ASSETS</b>		<b>281 179 237</b>	<b>265 261 962</b>
Government Grant Reserve	2	18 532 579	18 676 749
Donations and Public Contribution Reserve	2	69 713 693	72 038 680
Accumulated Surplus/(deficit)		192 932 966	174 546 533
<b>NON - CURRENT LIABILITIES</b>			
Long Term Liabilities	3	21 306 297	10 285 197
<b>CURRENT LIABILITIES</b>		<b>42 897 536</b>	<b>19 495 692</b>
Consumer Deposits	4	772 032	663 491
Provisions	5	791 219	649 174
Trade and Other Payables	6	40 190 675	11 466 898
Unspent Conditional Grants and Receipts	7	-	6 505 470
Current Portion of Long term Liabilities	3	1 143 610	210 659
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>345 383 070</b>	<b>295 042 851</b>
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, Plant & Equipment	8	298 826 534	237 776 443
<b>CURRENT ASSETS</b>		<b>46 556 536</b>	<b>57 266 408</b>
Consumer Debtors	11	31 353 505	28 166 466
Other Receivables	12	12 965 846	11 774 976
Cash and Cash Equivalents	13	2 237 184	17 324 966
<b>TOTAL ASSETS</b>		<b>345 383 070</b>	<b>295 042 851</b>

# GREATER TUBATSE MUNICIPALITY

## STATEMENT OF FINACIAL PERFORMANCE

### AS AT 30 JUNE 2009

	Notes	2009 R	2008 R
<b>REVENUE</b>			
Property rates	14	33 054 116	32 237 580
Service charges	15	15 218 943	15 082 641
Rental of facilities and equipment	18	152 311	95 600
Investment Revenue – external investments	17	1 668 181	1 898 957
Interest earned – outstanding debtors	18	3 223 066	2 245 567
Fines	18	654 565	1 587 402
Licenses and permits	18	5 862 187	7 131 959
Government grants and subsidies received - operatir	16	66 432 054	47 618 982
Government grants and subsidies received - capital	16	21 243 000	29 613 296
Other revenue	18	4 326 511	1 381 669
Gain on disposal of property, plant and equipment	18	-	17 481
<b>Total Revenue</b>		<b>151 834 933</b>	<b>138 911 133</b>
<b>EXPENDITURE</b>			
Employee related costs	19	54 782 059	46 140 604
Remuneration of councillors	20	11 879 354	10 288 157
Bad debts Provision	11	7 780 739	2 587 001
Bad debts - Written off	22	603 371	-
Depreciation	22	9 297 285	7 268 558
Repairs and maintenance	22	8 305 350	4 751 318
Finance cost	21	1 545 150	596 442
Contracted services	22	12 678 364	9 106 310
General expenses	22	38 684 211	30 347 103
Loss on disposal of property, plant and equipment	22	-	18 983
<b>Total Expenditure</b>		<b>145 555 883</b>	<b>111 104 476</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>6 279 050</b>	<b>27 806 657</b>



# GREATER TUBATSE MUNICIPALITY

## CHANGES IN NET ASSETS

### AS AT 30 JUNE 2009

	Government Grant Reserve	Donation & Public Contribution Reserve	Accumulated Surplus	Total
	R	R	R	R
<b>2008</b>				
Balance at 1 July 2007	4 325 120	74 370 037	174 722 411	<b>253 417 568</b>
Implementation of GAMAP				
Correction of Error				
<b>Restated balance</b>	<b>4 325 120</b>	<b>74 370 037</b>	<b>174 722 411</b>	<b>253 417 568</b>
Net surplus for the year	-	-	27 806 657	<b>27 806 657</b>
Property, plant and equipment purchased	-	-	10 824 416	<b>10 824 416</b>
Capital grants used to purchase PPE	-	-	-	-
Donated/contributed PPE	14 496 195	-	(14 496 195)	-
Asset disposals	-	-	-	-
Offsetting of depreciation	( 144 566)	(2 331 357)	2 475 923	-
<b>Balance at 30 June 2008</b>	<b>18 676 749</b>	<b>72 038 680</b>	<b>201 333 212</b>	<b>292 048 641</b>
<b>2009</b>				
Balance at 1 July 2008	18 676 749	72 038 680	201 333 212	<b>292 048 641</b>
Correction of error (note 29)	-	-	(26 786 679)	<b>(26 786 679)</b>
Changes in accounting estimate	-	-	-	-
<b>Restated balance</b>	<b>18 676 749</b>	<b>72 038 680</b>	<b>174 546 533</b>	<b>265 261 962</b>
Net surplus for the year	-	-	6 279 050	<b>6 279 050</b>
Appropriations	-	-	-	-
Property, plant and equipment reserves	-	-	9 763 019	<b>9 763 019</b>
Capital grants used to purchase PPE	-	-	( 124 793)	<b>( 124 793)</b>
Donated/contributed PPE	-	-	-	-
Asset disposals	-	-	-	-
Offsetting of depreciation	( 144 171)	(2 324 987)	2 469 158	-
<b>Balance at 30 June 2009</b>	<b>18 532 578</b>	<b>69 713 693</b>	<b>192 932 966</b>	<b>281 179 237</b>

# GREATER TUBATSE MUNICIPALITY

## CASH FLOW STATEMENT

### AS AT 30 JUNE 2009

	Notes	2009 R	2008 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		190 460 861	125 072 027
Cash paid to suppliers and employees		(146 626 224)	(101 677 922)
Cash generated from operations	23	43 834 637	23 394 105
Interest received		1 668 181	1 898 957
Interest paid		(1 545 150)	( 596 442)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>43 957 668</b>	<b>24 696 620</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(43 368 920)	(17 335 494)
Proceeds on disposal of assets			210 000
Decrease in investments		-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(43 368 920)</b>	<b>(17 125 494)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New loan raised		15 156 728	6 947 615
Loans repaid		( 657 692)	( 221 273)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>14 499 036</b>	<b>6 726 342</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>15 087 783</b>	<b>14 297 468</b>
		<b>15 087 783</b>	<b>(14 297 468)</b>
Cash and cash equivalents at the beginning of the year		17 324 967	3 027 499
Cash and cash equivalents at the end of the year		2 237 184	17 324 967

# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009**

### **1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**

#### **1.1 BASIS OF PRESENTATION**

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notices 991 and 992 of 2005.

These standards are summarised as follows:

GRAP 1: Presentation of financial statements.

GRAP 2: Cash flow statements.

GRAP 3: Accounting policies, changes in accounting estimates and errors.

GAMAP 4: Effects of changes in foreign exchange rates.

GAMAP 6: Consolidated financial statements and accounting for controlled entities.

GAMAP 9: Revenue.

GAMAP 7: Accounting for investments in associates.

GAMAP 8: Financial reporting of interests in joint ventures.

GAMAP 12: Inventories.

GAMAP 17: Property, plant and equipment.

GAMAP 19: Provisions, contingent liabilities and contingent assets.

GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards related to the municipality's separate financial statements.

GAMAP, GRAP and GAAP standards are fundamentally different to the fund accounting policies adopted in previous financial years. Comparative amounts have been restated retrospectively to the extent possible. The effect of the change in accounting policy arising from the implementation of GAMAP, GRAP and GAAP is set out in Note 23.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP or GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

#### **1.2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009**

### **1.3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

### **1.4 RESERVES**

#### **a) Government Grant Reserve**

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grants Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **b) Donations and Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009

### 1.5 PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price.

Directly attributable costs include the following:

- Cost of site preparation.
- Initial delivery and handling costs.
- Installation cost.
- Professional fees.
- Estimated cost of dismantling the asset.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost and depreciated only when the asset is commissioned into use, and are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009

### 1.5 PROPERTY, PLANT & EQUIPMENT (CONT)

#### Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<u>Infrastructure Assets</u>	<u>Years</u>
Roads, pavements, bridges and storm water	30
Water reservoirs and reticulation	20
Car parks, bus terminals and taxi ranks	20
Electricity reticulation	20
Sewerage purification and reticulation	20
Street lighting	15
Refuse sites	30
 <u>Community Assets</u>	 <u>Years</u>
Parks and gardens	30
Sport fields	30
Community halls	30
Libraries	30
Recreation facilities	20
Cemeteries	30
 <u>Other Assets</u>	 <u>Years</u>
Motor vehicles	5 - 10
Plant and equipment	7 - 10
Security measures	3 - 5
Buildings	30
Furniture	10
IT equipment	3
Office equipment	3 - 7
Specialised vehicles	7 - 10

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment that have been recognised was not reviewed as permitted in terms of Gazette 30013 of 29 June 2007.

#### Impairment

The testing for and impairing of any items of property, plant and equipment were not accounted for as permitted in terms of Gazette 30013 of 29 June 2007

#### Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

#### Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009**

### **1.6 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)**

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

### **1.7 INVESTMENT PROPERTY**

Investment property as property (land or a building or part of a building or both) held to earn rentals or capital appreciation is stated at cost. Where an investment property is acquired at no cost, or for a nominal cost, its cost is recognised at its fair value as at the date of acquisition.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

The process for identifying investment property had not been finalised and items that may meet the definition was accounted for in terms of GAMAP 17 under property, plant and equipment as permitted in terms of Gazette 30013 of 29 June 2007.

### **1.8 FINANCIAL INSTRUMENTS**

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables. Financial instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

#### **Accounts receivable**

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

### 1.8 FINANCIAL INSTRUMENTS (CONT)

Significant financial difficulties of the debtor and default or delinquency in payments of all debt outstanding for more than 150 days are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

#### Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value.

After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

#### Gains and losses

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

#### Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

#### Leases

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Operating lease payments or receipts are recognised on the basis of the actual cash inflows and outflows as per the lease contract as permitted in terms of Gazette 30013 of 29 June 2007.

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009**

### **1.8 FINANCIAL INSTRUMENTS (CONT)**

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

### **1.9 INVENTORY**

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

The process to identify immovable capital assets as inventory/stock are not finalised yet and were accounted for in terms of GAMAP 17 as permitted in terms of Gazette 30013 of 29 June 2007.

### **1.20 TRADE CREDITORS**

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade creditors are recognise initially at cost price as permitted in terms of Gazette 30013 of 29 June 2007.

### **1.21 REVENUE RECOGNITION**

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

#### **Rendering of service**

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably;
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses that are recoverable.

#### **Sale of goods**

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2009

### 1.21 REVENUE RECOGNITION (CONT)

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from sold housing by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Rates, including collection charges and penalty interest

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Service charges relating to water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009

### 1.21 REVENUE RECOGNITION (CONT)

#### Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected.

#### Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

#### Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

#### Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

#### Interest, royalties and dividends

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009**

### **1.21 REVENUE RECOGNITION (CONT)**

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement; and

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue are initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

### **1.22 PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### **1.23 CONTINGENT ASSETS**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

### **1.24 CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

### **1.25 CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is raised.

# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009**

### **1.26 CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term investments that are held with registered banking institutions with maturities of 32 days or daily calls.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

### **1.27 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.28 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.29 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.30 COMPARATIVE INFORMATION**

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

# **GREATER TUBATSE MUNICIPALITY**

## **NOTES TO THE FINACIAL STATEMENT □ AS AT 30 JUNE 2009**

### **1.31 RETIREMENT BENEFITS**

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Municipal Gratuity Fund
- Municipal Employees Pension Fund
- SAMWU Provident Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

### **1.32 BORROWING COSTS**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

### **1.33 CONSUMER DEPOSITS**

Consumer deposits are a partial security for a future payment of services accounts as determined yearly during the budget process.

Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

### **1.34 EVENTS AFTER BALANCE SHEET DATE**

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date.

Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

### **1.35 VALUE ADDED TAX**

The municipality accounts for Value Added Tax on the invoice basis.

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

	2009	2008
<b>2. RESERVES</b>		
Government Grants Reserve	18 532 579	18 676 749
Donations and Public Contribution Reserve	69 713 693 #	72 038 680
	<b>88 246 272</b>	<b>90 715 429</b>
<b>3. LONG TERM LIABILITIES</b>		
Annuity loans	18 835 662	10 495 856
Lease Liability	3 614 244	
Less: Current portion transferred to current liabilities	(1 143 610)	-210 659
	<b>21 306 297</b>	<b>10 285 197</b>
Less: Current portion transferred to current liabilities		
<i>Refer to Appendix A for more detail on long term liabilities.</i>		
<b>4. CONSUMER DEPOSITS</b>		
Water	<b>772 032</b>	<b>663 491</b>
No interest is paid on deposits.		
<b>5. PROVISIONS</b>		
<b>Performance Bonus</b>		
Balance at beginning of year	649 174	-
Contribution to provision	142 045	649 174
	<b>791 219</b>	<b>649 174</b>
<i>Performance bonuses are paid one year in arrears. The assessment of eligible employees had not taken place at the reporting date. The provision is an estimate of the amount according to the performance agreements at the reporting date.</i>		
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade Creditors	9 640 067	388 814
VAT Liability	1 796 824	-
Other Creditors	16 338 280	4 662 698
Staff Leave	7 356 857	4 576 979
Retention	5 058 646	1 838 407
	<b>40 190 675</b>	<b>11 466 898</b>
<i>Creditors are recognised at cost and no interest was recognised as a result of any time value of money adjustments as permitted per gazette 30013 of 29 June 2007</i>		
<b>7. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
Department of Transport	-	6 505 470
	<b>-</b>	<b>6 505 470</b>
<i>See note 16 for reconciliation of grants. These amounts are invested until utilised.</i>		

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

### 8. PROPERTY, PLANT & EQUIPMENT

	Land and Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
<b>Carrying values at 1 July 2008</b>	<b>20 043 000</b>	<b>201 122 946</b>	<b>12 023 833</b>	<b>-</b>	<b>4 586 664</b>	<b>237 776 443</b>
Cost	20 043 000	206 993 920	12 640 848	-	7 354 791	<b>247 032 559</b>
Accumulated depreciation – cost	-	(5 870 974)	( 617 015)	-	(2 768 127)	<b>(9 256 116)</b>
Acquisitions	1 140 000	50 576 168	7 853 360	4 903 263	3 714 585	<b>68 187 376</b>
Capital under construction	2 160 000					<b>2 160 000</b>
Depreciation	( 359 000)	(5 938 148)	( 421 362)	(1 304 801)	(1 273 974)	<b>(9 297 285)</b>
Revaluation (Note 30)						-
Carrying value of disposals						-
Cost	3 300 000	50 576 168	7 853 360	4 903 263	3 714 585	<b>70 347 376</b>
Accumulated depreciation – cost	( 359 000)	(5 938 148)	( 421 362)	(1 304 801)	(1 273 974)	<b>(9 297 285)</b>
<b>Carrying values at 30 June 2009</b>	<b>22 984 000</b>	<b>245 760 966</b>	<b>19 455 831</b>	<b>3 598 462</b>	<b>7 027 275</b>	<b>298 826 534</b>
Cost	23 343 000	257 570 088	20 494 208	4 903 263	11 069 376	<b>317 379 935</b>
Accumulated depreciation – cost	( 359 000)	(11 809 122)	(1 038 377)	(1 304 801)	(4 042 101)	<b>(18 553 401)</b>
<b>Carrying values at 30 June 2008</b>	<b>20 043 000</b>	<b>201 122 946</b>	<b>12 023 833</b>	<b>-</b>	<b>4 586 664</b>	<b>237 776 443</b>
Cost	20 043 000	206 993 920	12 640 848		7 354 791	<b>247 032 559</b>
Accumulated depreciation – cost	-	(5 870 974)	( 617 015)		(2 768 127)	<b>(9 256 116)</b>

Refer to Appendix B for more detail on property, plant and equipment, including those in the process of been constructed.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17.

The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010.



# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

		2009 R	2008 R
<b>9. INVESTMENTS</b>			
<b>Short Term Fixed Deposits</b>			
First National Bank		-	-
Council's valuation of investments		-	-
<i>FNB call accounts regarded as cash</i>			
<i>No investments have been written off during the</i>			
<b>10. INVENTORY</b>			
Unsold properties		-	-
<i>Items that met the definition of inventory were previously included under land and buildings. These items met the definition of inventory in accordance with GAMAP 12 and were transferred to inventory.</i>			
<i>Properties listed under inventory which were sold during the year, were expensed.</i>			
<b>11. CONSUMER DEBTORS</b>			
<b>30 June 2009</b>	<b>Gross Balance</b>	<b>Provision for Bad Debt</b>	<b>Net Balance</b>
Service debtors:	<b>46 175 860</b>	<b>(14 822 355)</b>	<b>31 353 505</b>
Property rates	33 406 318	(10 486 944)	22 919 374
Water	5 708 590	(1 938 134)	3 770 456
Sewerage	1 389 651	( 471 803)	917 848
Refuse	5 671 302	(1 925 474)	3 745 827
	<b>46 175 860</b>	<b>(14 822 355)</b>	<b>31 353 505</b>
<b>30 June 2008</b>	<b>35 208 082</b>	<b>(7 041 616)</b>	<b>28 166 466</b>
Service debtors:	35 208 082	(7 041 616)	28 166 466
	<b>46 175 860</b>	<b>(14 822 355)</b>	<b>31 353 505</b>
<b>Reconciliation of bad debt provision</b>			
Balance at beginning of year		7 041 616	4 454 615
Contributions to provision		7 780 739	2 587 001
Bad debts written off against provision		-	-
Balance at year end		<b>14 822 355</b>	<b>7 041 616</b>
<b>12. OTHER RECEIVABLES</b>			
Sundry Debtors		818 002	561 747
VAT		12 147 845	11 213 229
		<b>12 965 846</b>	<b>11 774 976</b>
<b>Other debtors are recognised at cost as permitted in terms of gazette 30013 of 29 June</b>			

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2009

13.

### CASH AND CASH EQUIVALENTS

The municipality has the following bank accounts:

FNB: Burgersfort

Account number: 56550022466

Current account (primary bank account)

Bank statement balance at beginning of year

Bank statement balance at end of year

10 866 012	3 027 499
<b>6 301 572</b>	<b>10 866 012</b>

Cash book balance at beginning of year

Cash book balance at end of year

10 866 012	3 023 499
<b>(2 324 599)</b>	<b>10 866 012</b>

Short Term Fixed Deposits -

Business Money Market

FNB Call Accounts

FNB Call Accounts

FNB Call Accounts

First National bank

Account No

62171 433 982

62027 510 818

61655 000 887

62062 370 699

2 166 661	-
1 329 449	-
690 172	-
371 502	-
-	6 454 954
<b>4 557 783</b>	<b>6 454 954</b>

Petty cash

Total cash resources

4 000	4 000
<b>2 237 184</b>	<b>17 324 965</b>

14.

### PROPERTY RATES

Rates Levied

33 054 116	32 237 580
<b>33 054 116</b>	<b>32 237 580</b>

### VALUATIONS

#### Residential

Government

Commercial

Municipal

Agricultural

Mining

Exempted

1 176 803 011	1 420 103 109
365 817 900	960 091 923
677 771 001	830 118 004
32 788 400	51 665 506
965 836 004	-
438 000 000	-
38 187 000	1121 476 004
<b>3 695 203 316</b>	<b>4383 454 546</b>

Valuations on properties are performed every four years and the last general valuation come into effect on 1 July 2007. This was done in line with Municipal Property Rates Act.

15.

### SERVICE CHARGES

Sale of water

Refuse removal

Sewerage and sanitation charges

8 930 550	7 045 071
4 625 384	4 261 729
1 663 008	3 775 841
<b>15 218 943</b>	<b>15 082 641</b>

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

16.

### GOVERNMENT SUBSIDIES & GRANTS

#### **Operating Grants**

Equitable share  
Finance management grant (FMG)  
Municipal systems improvement grant (MSIG)  
Sekhukhune District  
Limpopo Province (Planning)  
DBSA grant

**66 432 054**

**47 618 982**

57 481 429

44 875 000

500 000

250 000

735 000

1 484 000

815 625

326 250

6 900 000

683 732

#### **Capital Grants**

Municipal infrastructure grant (MIG)  
Department of Transport

**21 243 000**

**29 613 296**

21 243 000

15 313 296

-

14 300 000

**87 675 054**

**77 232 278**

#### **Total Government Grants & Subsidies**

#### **Equitable Share**

This grant is an unconditionally grant.

#### **Finance Management Grant**

Balance unspent at beginning of year

Current year receipts

500 000

250 000

Conditions met – transferred to revenue

( 500 000)

( 250 000)

#### **Unspent amount transferred to liabilities**

-

-

(see note 7)

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

#### **Municipal Systems Improvement Grant**

Balance unspent at beginning of year

Current year receipts

735 000

1 484 000

Conditions met – transferred to revenue

( 735 000)

(1 484 000)

#### **Unspent amount transferred to liabilities**

-

-

(see note 7)

This grant was used for community participation processes, performance management and for the IDP process.

#### **Other grants**

Current year receipts

7 715 625

1 009 982

Conditions met – transferred to revenue

(7 715 625)

(1 009 982)

#### **Unspent amount transferred to liabilities**

-

-

These grants were used for ward committee management and the DBSA grant was used for the municipal baseline information.

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

### 16. GOVERNMENT SUBSIDIES & GRANTS (CONTINUED)

#### **Municipal Infrastructure Grant (MIG)**

Balance unspent at beginning of year		-
Current year receipts	21 243 000	15 313 296
Conditions met – transferred to revenue	(21 243 000)	(15 313 296)
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>-</b>
(see note 7)		

This grant was used to construct roads and cemetery. Other than the unspent amount, the conditions of the grant were met and no funds have

#### **Department of Transport**

Balance unspent at beginning of year	6 050 813	-
Current year receipts	-	14 000 000
Conditions met – transferred to revenue	(6 050 813)	(7 949 188)
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>6 050 812</b>
(see note 7)		

The grant was used for the transport interchange facility model.

#### **Other grants**

Current year receipts	-	300 000
Conditions met – transferred to revenue	-	( 300 000)
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>-</b>
The grant was given by the mine for roads.		

### 17. INVESTMENT REVENUE

#### **EXTERNAL INVESTMENTS**

Current account	1 155 829	1 074 513
External investments	512 352	824 443
	<b>1 668 181</b>	<b>1 898 957</b>

### 18. OTHER REVENUE

Building plan fees	612 056	285 496
Reconnection fees	474	8 309
Town planning fees	-	36 912
Clearance certificates	54 773	36 912
Fines	654 565	1 587 402
Rental	152 311	95 600
Late Payment	3 223 066	2 245 567
Licenses and permits	5 862 187	7 131 959
Sundry Income ( Refund of cholera)	2 646 905	-
Sundry income	1 012 304	1 014 040
Gain on Disposal of property, plant and equipment	-	17 481
	<b>14 218 640</b>	<b>12 459 678</b>
<b>Total Revenue</b>	<b>151 834 933</b>	<b>138 911 133</b>

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2009

19.

### EMPLOYEE RELATED COSTS

#### Employee related costs - Salaries and wages

Employee related costs - Salaries and wages	34 190 612	26 713 865
Employee related costs - Social contributions	7 450 647	5 849 809
Travel, motor car and other allowances	5 766 355	5 616 060
Housing benefits and allowances	3 661	107 227
Leave contribution	2 914 925	3 670 255
Overtime payments	1 087 819	565 930
Other Allowances	3 368 040	3 617 458
	<b>54 782 059</b>	<b>46 140 604</b>

There were no advances to employees.

#### Remuneration of Managers

##### Municipal Manager

Annual remuneration	665 570	515 259
Allowances	1 542	179 795
Council Contributions	171 699	1 511
	<b>838 811</b>	<b>696 565</b>

##### Chief Financial Officer

Annual remuneration	539 323	332 958
Allowances	1 542	129 470
Council Contributions	199 202	1 366
	<b>740 067</b>	<b>463 794</b>

##### Director: Strategic Services

Annual remuneration	526 533	466 757
Allowances	1 542	109 428
Council Contributions	175 428	1 511
	<b>703 503</b>	<b>577 696</b>

##### Director: Economic & Land Development

Annual remuneration	532 533	397 027
Allowances	1 542	169 428
Council Contributions	169 428	1 511
	<b>703 503</b>	<b>567 966</b>

##### Director: Community Services

Annual remuneration	532 533	412 757
Allowances	1 542	163 428
Council Contributions	169 428	1 511
	<b>703 503</b>	<b>577 696</b>

##### Director: Technical Services

Annual remuneration	532 533	445 460
Allowances	1 542	138 028
Council Contributions	169 428	6 859
	<b>703 503</b>	<b>590 347</b>

##### Director: Corporate Services

Annual remuneration	532 533	356 667
Allowances	1 542	129 428
Council Contributions	169 428	1 511
	<b>703 503</b>	<b>487 606</b>

##### Director: Executive Support

Annual remuneration	532 533	417 333
Allowances	1 542	113 809
Council Contributions	169 428	
	<b>703 503</b>	<b>531 142</b>

*Performance bonuses will be paid out in terms of Section 57 of the Municipal Systems Act.*

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2009

### 20. REMUNERATION OF COUNCILLORS

Mayor	534 687	481 687
Speaker	430 942	388 940
Chief Whip	405 006	366 784
Executive Committee members	2 739 703	2 453 414
Councillors	7 769 016	6 597 332
	<b>11 879 354</b>	<b>10 288 157</b>

*The Mayor, Speaker, Chief Whip and certain portfolio Chairpersons are full time. Each is provided with an office and secretarial support at the Mayor's residence. The Mayor has use of a Council owned vehicle and driver for official duties. The Mayor has one full time bodyguard.*

### 21. FINANCE COST

Annuity loan		
External loan cost	1 545 150	596 442
	<b>1 545 150</b>	<b>596 442</b>

### 22. GENERAL EXPENSES

Consultant fees	2 758 544	7 580 742
Events and special projects	1 028 752	745 692
Free basic electricity	5 747 159	1 496 536
Grant expenditure	500 000	246 631
Legal fees	3 639 124	1 651 348
Printing and stationery	720 577	698 627
Rentals	2 612 840	2 047 418
Telephone expenses	1 236 892	821 510
Training	1 239 174	1 114 673
Travel and accommodation	2 663 026	1 555 767
Valuation costs	45 614	-
Vehicle registration	-	5 470 782
Audit External Fees	822 364	264 553
Occupational Training	1 382 673	93 641
Planning Fees	6 970 331	347 619
Ward Committees	812 647	856 250
Inter Departmental Transfer	1 119 562	870 752
Other	5 384 933	4 484 562
	<b>38 684 211</b>	<b>30 347 103</b>
Bad debts	8 384 109	2 587 001
Depreciation	9 297 285	7 268 558
Repairs and Maintenance	8 305 350	4 751 318
Contracted services	12 678 364	9 106 310
Loss on disposal of property, plant and equipment	-	18 983
	<b>145 555 883</b>	<b>111 104 476</b>

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2009

23.

### CASH GENERATED FROM/(UTILISED IN) OPERATIONS

Net surplus for the year	6 279 050	27 806 657
Adjustment for:		
Depreciation charges	9 297 285	7 268 558
Gain on disposal of property, plant and equipment		( 17 481)
Loss on disposal of property, plant and equipment		18 983
Contributions to provisions	142 045	649 174
Interest received	(1 668 181)	(1 898 957)
Interest paid	1 545 150	596 442
Gamap Grap conversion		
Appropriations	10 290 350	10 824 317
Operating surplus before working capital changes	<b>25 885 699</b>	<b>45 247 694</b>
<b>(Increase)/decrease in inventories</b>	-	-
(Increase)/decrease in debtors	(3 187 039)	(10 754 772)
(Increase)/decrease in other receivables	(1 190 871)	(8 399 229)
Increase/(decrease) in creditors	28 723 777	(9 334 579)
Increase/(decrease) in consumer deposits	108 540	129 421
Increase/(decrease) in unspent conditional grants	(6 505 470)	6 505 470
Cash generated by operations	<b>43 834 637</b>	<b>23 394 005</b>

24.

### CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and Contracted for	-	<b>32 050 813</b>
Infrastructure	-	27 050 813
Community assets	-	
Other assets	-	5 000 000
Approved but not yet contracted for		-
Land and buildings	-	
Infrastructure	10 640 000	
	<b>10 640 000</b>	<b>32 050 813</b>

### This expenditure will be financed from

External loans	10 640 000	26 000 000
Government grants	-	6 050 813
	<b>10 640 000</b>	<b>32 050 813</b>

### ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003

25.

Contribution to SALGA		
Council membership fees payable	187 857	168 304
Amount paid current year	( 187 857)	( 91 232)
Balance unpaid (included in creditors)	-	<b>77 072</b>
<b>Audit Fees</b>		
Current year audit fee	1 202 359	1 118 127
Amount paid current year	(1 202 359)	( 601 588)
Balance unpaid (included in creditors)	-	<b>516 539</b>

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

### ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (CONT)

25.

VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SARS. VAT input receivables and VAT output receivable are shown in note 12. All VAT returns have been submitted by the due date throughout the year.

#### Pay as You Earn (PAYE)

Current payroll deductions  
Amount paid current year  
Balance unpaid

8 877 390	7 243 517
(8 877 390)	(7 243 517)
-	-

#### Unemployment Insurance Fund (UIF)

Current payroll deductions  
Amount paid current year  
Balance unpaid

259 300	428 914
(259 300)	(428 914)
-	-

### ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003

26.

#### Medical Aid

Current payroll deductions  
Amount paid current year  
Balance unpaid

1 226 086	2 163 242
(1 226 086)	(2 163 242)
-	-

#### Pension Fund

Current payroll deductions  
Amount paid current year  
Balance unpaid

4 399 681	7 886 444
(4 399 681)	(7 886 444)
-	-

#### Disclosure concerning councillors

##### Section 124(1)(b)

The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2009:

None

Total 30 June  
2009

Outstanding  
less than 90  
days

-

-

In terms of this section, any arrears by individual councillors to the municipality for rates and services, which at any time during the relevant financial year was outstanding for more than 90 days, including the names of those councillors must be disclosed.



# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009

### 27. CONTINGENT LIABILITIES

The following are claims against the municipalities:

Impelling Group (Debt Collection)	8 000 000	-
Mmalekgowa Trading	348 000	-
Nelldav Agency	250 000	-
Anglo Platinum (Infrastructure Loan)	-	16 000 000
DPI Plastics	-	200 000
Limpopo Binders	-	1 254 611
A Mashego	-	2 900 000
Bakgorosi Civil Project Eng CC	-	10 000 000
Solly Tayob & Rymach Trust	-	3 000 000
<b>Total</b>	<b>8 598 000</b>	<b>33 354 611</b>

### 28. FINANCE LEASE LIABILITY

#### 2009

	Minimum Lease payment R '000	Future Finance Charges R '000	Present value of minimum lease payments R '000
Amounts payable under finance leases			
Within one year	2 855 126	(2 134 405)	720 721
Within two to five years	1 945 336		
	<b>4 800 462</b>	<b>(2 134 405)</b>	<b>720 721</b>

Less: Amount due for settlement within  
12 months (current portion)

*The average lease term is 5 years and the average effective borrowing rate is 12.5%. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and other escalate between 12.5% per annum. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.*

### 28. FINANCE LEASE LIABILITY

#### 2008

	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Amounts payable under finance leases			
Within one year	695 647	407 790	1 103 438
Within two to five years	-		-
	<b>-</b>	<b>-</b>	<b>-</b>
Less: Amount due for settlement within 12 months (current portion)			-
			<b>-</b>

# GREATER TUBATSE MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENT AS AT 30 JUNE 2009

### 28. FINANCE LEASE LIABILITY (CONT)

*The average lease term is 5 years and the average effective borrowing rate is 12.5%. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and other escalate between 12.5% per annum. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.*

### 29. CORRECTION OF ERROR

During the year ended 30 June 2008, the cash and equivalents - prior error: -  
 2007/2008 Invoices paid erroneously in 2008/2009  
 2008/2009 Invoices paid erroneously in 2008/2009  
 2007/2008 Inventory write down/off  
 During June 2008 investment incorrectly classified  
 Depreciation on buildings - prior years

(10 868 375)  
 (3 538 008)  
 1 005 371  
 (13 625 000)

6 454 954

239 333

**(26 786 679)**

**6 454 954**

### 31. OTHER BANK ACCOUNTS HELD IN THE NAME OF THE MUNICIPALITY BUT BELONGING TO PROVINCES

#### Provincial Housing Bank Account

Cheque Accounts - Limpopo

62097 374 319

482 451

Cheque Accounts - Mpumalanga

62056 832 639

382 853

**865 303**

### 32. LEASE COMMITMENTS BUILDINGS

Current 2008/9

325 123

I - 5 years 2009/2014

16 966

**342 089**

### 33. UNAUTHORISED EXPENDITURE

Unauthorised expenditure - Overspent Budget

13 155 522

**GREATER TUBATSE MUNICIPALITY**  
**APPENDIX A**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009**

External Loans	Loan No.	Redeemable	Balance at 30 June 2008	Interest paid during the period	Received during the period	Redeemed or written off during the period	Balance at 30 June 2009
			R	R	R	R	R
<b><u>ANNUITY LOANS</u></b>							
DBSA	@ 15.26% 12713/102	2012/12/31	1 138 711	171 975	27 234	( 196 964)	968 981
DBSA	@ 16.02% 13585/102	2021/03/31	2 409 530	394 975		( 61 976)	2 347 554
DBSA	@ 5.00% 102904/1	2028/09/30	1 947 615	135 169	8 611 698	-	10 559 313
DBSA	@ 10.42% 102904/2	2028/09/30	5 000 000	456 548		( 40 186)	4 959 814
<b>Total Annuity Loans</b>			<b>10 495 856</b>	<b>1 158 667</b>	<b>8 638 932</b>	<b>( 299 126)</b>	<b>18 835 662</b>

*An amount of R 27 234 was adjusted to the opening balance as at 1 July 2008 in order to bridge the difference between DBSA opening balance and the GTM opening balance*

# GREATER TUBATSE MUNICIPALITY

## APPENDIX B

### ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	
<b>INFRASTRUCTURE</b>	<b>217 497 770</b>	<b>37 414 489</b>	<b>-</b>	<b>-</b>	<b>254 912 260</b>	<b>4 349 032</b>	<b>5 938 148</b>	<b>-</b>	<b>10 287 180</b>	<b>244 625 079</b>
Roads, Pavements, Bridges & Stormwater	175 774 221	36 802 424			212 576 645	3 779 131	3 851 971		7 631 102	204 945 543
Water Reservoirs & Reticulation	30 355 867	-			30 355 867	-	1 517 793		1 517 793	28 838 074
Electricity reticulation	5 922 515	446 771			6 369 285	296 897	296 126		593 023	5 776 263
Sewerage Purification & Reticulation	4 781 695	-			4 781 695	239 740	239 085		478 825	4 302 871
Cleansing	663 472	-			663 472	33 264	33 174		66 438	597 035
Street Lights	-	165 295			165 295	-			-	165 295
<b>COMMUNITY ASSETS</b>	<b>15 298 678</b>	<b>7 853 360</b>	<b>-</b>	<b>-</b>	<b>23 152 037</b>	<b>2 138 957</b>	<b>421 362</b>	<b>-</b>	<b>2 560 319</b>	<b>20 591 719</b>
Public Facilities	2 464 728	3 976 965			6 441 693	82 382	421 362		503 744	5 937 950
Sports Fields	12 833 949	3 876 395			16 710 344	1 610 201			1 610 201	15 100 143
Parks	-	-			-	123 400			123 400	( 123 400)
Cemetery	-	-			-	56 307			56 307	( 56 307)
Taxi Rank	-	-			-	266 667			266 667	( 266 667)
<b>OTHER ASSETS</b>	<b>7 354 791</b>	<b>8 617 848</b>	<b>-</b>	<b>-</b>	<b>15 972 640</b>	<b>2 768 128</b>	<b>2 578 775</b>	<b>-</b>	<b>5 346 903</b>	<b>10 625 736</b>
Other Motor Vehicles	2 380 047	1 528 984			3 909 031	1 121 806	483 607		1 605 413	2 303 618
Plant & Equipment	1 563 759	4 650 071			6 213 829	556 728	683 884		1 240 612	4 973 217
Office Equipment	558 657	1 651 174			2 209 832	261 201	865 221		1 126 422	1 083 410
Computer Equipment	936 586	787 620			1 724 206	375 882	350 292		726 174	998 032
Furniture	1 915 742	-			1 915 742	452 511	195 772		648 283	1 267 460
<b>LAND AND BUILDING</b>	<b>20 043 000</b>	<b>1 140 000</b>	<b>2 160 000</b>	<b>-</b>	<b>23 343 000</b>	<b>239 333</b>	<b>-</b>	<b>119 667</b>	<b>359 000</b>	<b>22 984 000</b>
Land and Building	20 043 000	1 140 000	2 160 000		23 343 000	239 333		119 667	359 000	22 984 000
<b>TOTAL</b>	<b>260 194 239</b>	<b>55 025 697</b>	<b>2 160 000</b>	<b>-</b>	<b>317 379 937</b>	<b>9 495 450</b>	<b>8 938 285</b>	<b>119 667</b>	<b>18 553 402</b>	<b>298 826 535</b>

# GREATER TUBATSE MUNICIPALITY

## APPENDIX C

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	
<b>EXECUTIVE COUNCIL</b>	<b>343 504</b>	<b>161 702</b>	<b>-</b>	<b>-</b>	<b>505 206</b>	<b>163 665</b>	<b>51 046</b>	<b>-</b>	<b>214 711</b>	<b>290 495</b>
Executive Council	343 504	161 702			505 206	163 665	51 046		214 711	290 495
<b>FINANCE &amp; ADMINISTRATION</b>	<b>30 380 252</b>	<b>3 806 075</b>	<b>-</b>	<b>-</b>	<b>34 186 327</b>	<b>2 138 357</b>	<b>1 960 498</b>	<b>-</b>	<b>4 098 855</b>	<b>30 087 472</b>
Finance	2 004 049	787 620			2 791 669	1 058 156	357 804		1 415 960	1 375 709
Corporate services	28 376 203	3 018 455			31 394 658	1 080 201	1 602 693		2 682 894	28 711 764
Human Resources	-	-			-	-	-		-	-
Property Services	-	-			-	-	-		-	-
Other & Admin	-	-			-	-	-		-	-
<b>PLANNING &amp; DEVELOPMENT</b>	<b>220 412</b>	<b>3 300 000</b>	<b>-</b>	<b>-</b>	<b>3 520 412</b>	<b>85 309</b>	<b>37 490</b>	<b>-</b>	<b>122 799</b>	<b>3 397 613</b>
Strategic Services	85 726				85 726	33 817	12 259		46 076	39 650
Planning & Development	134 686	3 300 000			3 434 686	51 492	25 231		76 723	3 357 963
<b>COMMUNITY &amp; SOCIAL SERVICES</b>	<b>2 877 874</b>	<b>5 693 360</b>	<b>-</b>	<b>-</b>	<b>8 571 234</b>	<b>294 376</b>	<b>133 998</b>	<b>119 667</b>	<b>548 041</b>	<b>8 023 194</b>
Libraries & Archives	220 045				220 045	55 043	22 891		77 934	142 111
Community halls & Facilities	2 657 829	5 693 360			8 351 189	239 333	44 108	119 667	403 108	7 948 082
Cemeteries & Crematoriums	-	-			-	-	66 999		66 999	( 66 999)
<b>PUBLIC SAFETY</b>	<b>1 273 508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 273 508</b>	<b>409 311</b>	<b>287 365</b>	<b>-</b>	<b>696 676</b>	<b>576 832</b>
Traffic & Protection	1 273 508				1 273 508	409 311	287 365		696 676	576 832
<b>TECHNICAL SERVICES</b>	<b>225 098 689</b>	<b>42 064 560</b>	<b>2 160 000</b>	<b>-</b>	<b>269 323 249</b>	<b>6 404 432</b>	<b>6 467 889</b>	<b>-</b>	<b>12 872 321</b>	<b>256 450 928</b>
Administration	65 446 852	1 651 088	2 160 000		69 257 940	2 625 301	2 336 177		4 961 478	64 296 462
Roads	159 651 837	40 413 472			200 065 309	3 779 131	4 131 712		7 910 843	192 154 466
<b>TOTAL</b>	<b>260 194 239</b>	<b>55 025 697</b>	<b>2 160 000</b>	<b>-</b>	<b>317 379 936</b>	<b>9 495 450</b>	<b>8 938 285</b>	<b>119 667</b>	<b>18 553 402</b>	<b>298 826 535</b>

# GREATER TUBATSE MUNICIPALITY

## APPENDIX D

### DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income	2008 Actual Expenditure	2008 Actual Surplus/ (Deficit)		2009 Actual Income	2008 Actual Expenditure	2009 Actual Surplus/ (Deficit)
R	R	R		R	R	R
<b>427 539</b>	<b>26 798 281</b>	<b>(26 370 742)</b>	<b>Executive &amp; Council</b>	<b>30 119 805</b>	<b>942 359</b>	<b>29 177 446</b>
427 539	26 798 281	(26 370 742)	Council general	27 293 864	942 359	26 351 505
	2 429 282	(2 429 282)	Municipal Manager	2 825 941	-	2 825 941
<b>83 902 050</b>	<b>30 518 248</b>	<b>53 383 802</b>	<b>Finance &amp; Admin</b>	<b>52 926 138</b>	<b>96 719 809</b>	<b>(43 793 671)</b>
83 902 050	12 391 730	71 510 320	Finance	29 084 484	96 719 809	(67 635 325)
	18 126 518	(18 126 518)	Corporate Services	23 841 654	-	23 841 654
<b>2 140</b>	<b>3 104 005</b>	<b>(3 101 865)</b>	<b>Planning &amp; Development</b>	<b>9 208 901</b>	<b>354 937</b>	<b>8 853 964</b>
2 140	3 104 005	(3 101 865)	Economic & Land Development	5 568 541	354 937	5 213 604
683 731	4 924 662	(4 240 931)	Strategic Management	3 640 360	-	3 640 360
<b>9 137 465</b>	<b>6 084 442</b>	<b>3 053 023</b>	<b>Community Services</b>	<b>6 822 920</b>	<b>533 998</b>	<b>6 288 922</b>
317 117	3 661 030	(3 343 913)	Admin	3 291 721	-	3 291 721
5 567	497 079	( 491 512)	Libraries	1 207 000	14 202	1 192 798
8 814 781	1 926 333	6 888 448	Cemeteries	360 210	73 354	286 855
			Municipal Building	1 963 990	446 442	1 517 548
<b>3 128 997</b>	<b>4 539 663</b>	<b>(1 410 666)</b>	<b>Public Safety</b>	<b>6 855 121</b>	<b>6 516 793</b>	<b>338 328</b>
3 128 997	4 539 663	(1 410 666)	Traffic & Licensing	6 855 121	6 516 793	338 328
<b>8 050 446</b>	<b>7 067 144</b>	<b>983 302</b>	<b>Waste Management</b>	<b>12 002 520</b>	<b>6 288 392</b>	<b>5 714 127</b>
3 775 840	1 008 970	2 766 870	Sewerage	3 413 724	1 663 008	1 750 716
4 274 606	6 058 174	(1 783 568)	Refuse Removal	8 588 795	4 625 384	3 963 411
<b>27 700 268</b>	<b>39 576 618</b>	<b>(11 876 350)</b>	<b>Roads Transport</b>	<b>27 261 478</b>	<b>40 478 643</b>	<b>(13 217 165)</b>
7 200 268	20 392 012	(13 191 744)	City Engineer: Admin	10 813 878	21 243 000	(10 429 122)
			City Engineer: Water	5 439 376	12 335 643	(6 896 267)
20 500 000	19 184 606	1 315 394	City Engineer: Roads	11 008 224	6 900 000	4 108 224
<b>132 348 905</b>	<b>117 688 401</b>	<b>14 660 504</b>	<b>Total</b>	<b>145 196 883</b>	<b>151 834 933</b>	<b>(6 638 050)</b>

# GREATER TUBATSE MUNICIPALITY

## APPENDIX E (1)

### ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

	2008/9 Actual R	2008/9 Budget R	2008/9 Variance R	2008/9 Variance %	Explanations of significant variances greater than 10% versus budget
<b>REVENUE</b>	x				
Property rates	33 054 116	47 707 272	(14 653 156)	( 31)	Dispute on mine properties
Service charges : Water	8 930 550	7 837 637	1 092 913	14	
Sewerage	1 663 008	5 746 375	(4 083 367)	( 71)	New tariff structure
Refuse removal	4 625 384	5 129 368	( 503 984)	( 10)	
Rental of facilities and equipment	152 311	180 000	( 27 689)	( 15)	
Interest earned – external investments	1 155 829	680 000	475 829	70	
Interest earned – outstanding debtors	512 352	1 500 000	( 987 648)	( 66)	Write-off of old debt
Fines	654 565	2 300 000	(1 645 435)	( 72)	Over estimated
Licensing & permits	2 935 551	1 350 000	1 585 551	117	
Revenue for agency services	2 926 636	3 500 000	( 573 364)	( 16)	Over estimated
Government grants & subsidies – operating	66 432 054	44 979 847	21 452 207	48	
Government grants & subsidies – capital	21 243 000	19 257 003	1 985 997	10	
Public contributions, donated and contributed property, plant and equipment			-		
Other revenue	7 549 576	2 224 615	5 324 961	239	
Gains on disposal of property, plant &			-		
<b>Total Revenue</b>	<b>151 834 932</b>	<b>142 392 117</b>	<b>9 442 815</b>	<b>7</b>	
<b>EXPENDITURE</b>					
Employee related costs	54 782 059	46 720 198	8 061 861	17	new grading
Remuneration of councillors	11 879 354	10 863 977	1 015 377	9	
Bad debts	8 384 109	6 727 553	1 656 556		
Collection costs			-		
Depreciation	9 297 285	5 700 000	3 597 285		
Repairs & maintenance	8 305 350	9 014 676	( 709 326)	( 8)	
Finance costs	1 545 150	1 116 000	429 150	38	new loan raised & leases accounted for
Bulk purchases			-		
Contracted services	12 678 364	13 109 648	( 431 284)	( 3)	
Grants & subsidies paid			-		
General expenses	38 684 211	49 140 065	(10 455 854)	( 21)	
Loss on disposal of property, plant & equipment			-		
Contributions to/(transfers from) provisions			-		
<b>Total Expenditure</b>	<b>145 555 883</b>	<b>142 392 117</b>	<b>3 163 766</b>	<b>2</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>6 279 049</b>	<b>-</b>	<b>(8 488 727)</b>		

**GREATER TUBATSE MUNICIPALITY**  
**APPENDIX E (2)**  
**ACTUAL CAPITAL VERSUS BUDGET**  
**(ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Actual	Under Construction	Total Additions	Budget	Variance		Explanations of significant variances greater than 5% versus budget
	2009 R	2009 R	2009 R	2009 R	2009 R	%	
<b>Executive &amp; Council</b>	-	-	-	-	-		
Council general							
Municipal Manager							
<b>Finance &amp; Admin</b>	-	-	-	-	-		
Finance							
Corporate Services							
<b>Planning &amp; Development</b>	-	-	-	-	-		
Economic & Land Development							
Strategic Management							
<b>Community Services</b>	1 820 469	-	-	1 669 099	(151 370)	(12.03)	
Admin					-		
Libraries					-		
Cemeteries	1 820 469			1 669 099	(151 370)	(12.03)	
Municipal Building					-		
<b>Public Safety</b>	1 140 000	-	-	1 140 000	-		
Traffic & Licensing	1 140 000			1 140 000	-		
Sewerage					-		
Refuse Removal					-		
<b>Roads Transport</b>	36 841 086	-	-	46 442 097	9 601 011	3.84	
City Engineer: Admin	511 007			524 392	13 385	38.18	
City Engineer: Roads	36 330 078			45 917 705	9 587 627	3.79	
<b>TOTAL</b>	<b>39 801 554</b>	-	-	<b>49 251 196</b>	<b>9 449 642</b>	<b>(8)</b>	



# GREATER TUBATSE MUNICIPALITY

## APPENDIX F

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 JUNE 2009

*DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003*

Name of Grants	Name of Organ of State or Municipal entity	Total Receipts for 2008/9 TOTAL	Total Expenditure for 2008/9 TOTAL	Delay \ Withheld TOTAL	Gazette amount Municipal year TOTAL	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
Equitable Share	DPLG	54 989 000	54 989 000					
Equitable Share - Free Basic Electricity	DPLG	2 492 429	2 492 429			None	Yes	None
Financial Management Grant	National Treasury	500 000	500 000			None	Yes	None
MSIG	DPLG	735 000	735 000			None	Yes	None
District Grant	GSDM	815 625	815 625			None	Yes	None
Limpopo Province - Planing	Limpopo Prov	6 900 000	6 900 000			None	Yes	None
Grants - MIG Funds	DPLG	21 243 000	21 243 000			None	Yes	None
		R 87 675 054	R 87 675 054	R -	R -			